OFFICIAL FILE ILLINOIS COMMERCE COMMISSION

ORIGINAL

MEMORANDUM

To:

Chairman Richard L. Mathias Commissioner Terry S. Harvill Commissioner Edward Hurley Commissioner Ruth Kretschmer Commissioner Mary Frances Squires

Charles Fisher Myra Karegianes

From:

Pat McLarney

Subject:

Staff Report as directed by Commission Order in Docket 98-0555

Condition 29, Additional OSS, acceptance or rejection of SBC/Ameritech's

00-0271

Revised Plan of Record issued March 1, 2000

Date:

March 15, 2000

After review of the documents regarding this matter, Staff recommends that the Revised Plan of Record ("RPOR") issued by SBC/Ameritech on March 1, 2000, be accepted by the Commission. Staff plans to brief the Commission during the Pre Bench Session on March 21, 2000. At that time the Commission may vote to accept, reject, or choose to address Staff's recommendation at a later bench session. If the Commission is in agreement with Staff's recommendation, Condition 29 would proceed to Phase 2.

If the Commission accepts Staff's recommendation, Staff respectfully requests that the Commission order Phase 2 to commence two weeks after a contract with the independent third party tester has been fully executed and delivered in satisfaction of all state procurement requirements. This will enable the independent third party tester to participate in the entire collaborative process.

Staff also requests the Commission clarify that Phase 2 is not limited to the specific OSS systems and issues identified in SBC/Ameritech's RPOR. Instead Phase 2 will remain open to any OSS issues raised by any of the parties. This will eliminate any potential confusion about the proper scope of Phase 2.

Finally, Staff requests that the Commission provide guidance with respect to the role of the independent third party in the arbitration process. In the attached report, Staff has outlined, and submits to the Commission for its consideration, two options with respect to the role of the independent third party.

A Gantt chart detailing the possible timelines follows this cover page.

Please let me know if you have questions.

THE CLERK'S OF

Event	End Date	January	February	March	April	May	June	July
Plan of Record (POR) Received	01/07/2000		: : :		: : :			
CLEC Review Period Ends	01/21/2000							
Staff Drafts Recommendation	02/05/2000		※					
Staff Recommendation sent to Commission	02/07/2000							
Staff Briefs the Commission	02/15/2000				; ; ;			
Commission Rejects POR	02/15/2000							
Ameritech Drafts Revised POR	03/01/2000			8: : :				
CLEC Review Period Ends	03/08/2000							
Staff Recommendation sent to Commission	03/15/2000			:":B:::				
Commission Recommends Action	03/21/2000							
Finalize Third Party Testing Consultant	04/14/2000							
Phase 2 - Path I								
Collaborative Discussions	06/23/2000							
Written Agreement of OSS Changes	06/30/2000							
- OR -								
Phase 2 - Path II								
Collaborative Discussions	04/21/2000							
Create List of Unresolved Issues in Dispute	04/28/2000							
Arbitration Conducted by Commission	06/23/2000							
Written Agreement of OSS Changes	06/30/2000							

^{*} The start date of the Collaborative Discussions key event in Phase 2 is dependent upon the Commission's approval of SBC/Ameritech's Revised Plan of Record and after a contract with the independent third party tester has been fully executed and delivered in satisfaction of all state procurement requirements.

Key:

Past Events
Future Events

ILLINOIS COMMERCE COMMISSION TELECOMMUNICATIONS STAFF REPORT

March 15, 2000

I. Subject

Staff report as directed by Commission Order in Docket 98-0555 Condition 29, Additional OSS, acceptance or rejection of SBC/Ameritech's Revised Illinois Plan of Record issued March 1, 2000.

II. Recommended Action

After review of the documents pertaining to this subject matter, Staff recommends that the Revised Illinois Plan of Record ("RPOR") issued by SBC/Ameritech on March 1, 2000, be accepted by the Commission.

The RPOR contains more information than the original POR, and responds to written concerns provided by Chairman Mathias on February 17, 2000 and previous CLEC comment documents. Staff also notes that none of the four CLECs providing comments recommended outright rejection of SBC/Ameritech's RPOR, indicating that their remaining concerns could be addressed in Phase 2's collaborative process.

By Commission acceptance, Condition 29 will proceed to Phase 2 of this process as follows:

'In Phase 2 SBC/Ameritech shall work collaboratively with ICC Staff and Illinois CLECs, in a series of workshops, to obtain written agreement on OSS interfaces, enhancements, and business requirements identified in the Plan of Record.'

Order at 254.

The collaborative sessions should be used as a forum for education, understanding and cooperation by all parties involved. The sessions will be open to any OSS topic raised by any party and will not be limited by the contents of SBC/Ameritech's RPOR. Staff agrees with various parties that the independent third party tester should be on board before the collaborative discussions begin. The timeframe of the collaborative may be extended if all parties agree to an extension and it's determined that the process will benefit from additional discussions.

Although all parties involved intend for the collaborative process to result in written agreement between the parties regarding SBC/Ameritech's Future Method of Operation ("FMO"), Staff acknowledges that disputes over issues may arise if the process moves forward. The Commission anticipated a scenario whereby certain OSS issues might remain unresolved. Condition 29, therefore, specifically provides as follows:

Phase 2 shall be conducted under the auspices of the ICC and shall be completed in a total of 3 months unless the parties mutually agree to extend Phase 2, or unless the Commission grants a reasonable request for an extension by a participating party. If the CLECs and SBC/Ameritech have not reached agreement after one month of such sessions (unless there is a mutually agreeable extension or a Commission order extending this date after a reasonable request is made by a participating party to continue negotiations)/ the parties shall prepare a list of the unresolved issues in dispute and submit the remaining unresolved issues in dispute to arbitration by the Commission.

The parties must submit the unresolved issues to Commission arbitration no later than one week after the conclusion of the collaborative sessions (unless there is a mutually agreeable extension). Any arbitration shall be conducted before the Commission with the assistance of an independent third party with subject matter expertise. The independent third party shall be hired by the Commission in accordance with state procurement law at the expense of the Joint Applicants. This arbitration shall be concluded within 7 weeks of submission of the unresolved issues (unless there is a mutually agreeable extension).

Order at 254.

In the above order the Commission envisioned playing the role of arbitrator regarding any unresolved disputes between the CLECs and SBC/Ameritech relating to OSS issues. The Commission's order specifically states: "...the parties shall prepare a list of the unresolved issues in dispute and **submit** the remaining unresolved issues in dispute **to arbitration by the Commission**." Order at 254 (emphasis added). The Order further provides: "Any arbitration shall be conducted before the Commission **with the assistance of an independent third party** with subject matter expertise." Order at 254 (emphasis added). Staff interprets the aforementioned language as establishing the following process to be utilized in the event arbitration is needed to address any unresolved issues.

No later than one week after the conclusion of the aforementioned collaborative sessions (as outlined in the Commission's merger order), the parties shall petition the Commission for a hearing, on an expedited basis, addressing the list of unresolved issues prepared by the parties. After a two week hearing process in front of a hearing examiner, in which testimony will be submitted and witnesses cross examined, the hearing examiner will have one week to issue a proposed order. The parties will then have one week to provide exceptions to the hearing examiner's proposed order and to reply to all such exceptions. The Commission will subsequently have three weeks to issue a final arbitration order.

Condition #29 of the Commission's Merger Order provides:

Any arbitration [during Phase 2] shall be conducted before the Commission with the assistance of an independent third party with subject matter expertise. The independent third-party shall be hired by the Commission in accordance with state procurement law at the expense of the Joint Applicants.

Order at 254 (emphasis added).

Staff notes that there are certain implications arising from the independent third party's role in the aforementioned arbitration process. Specifically, the pertinent language in the Commission's Order suggests two ways by which the Commission can utilize an independent third-party in any arbitration scenario. The independent third-party expert can participate: (1) as a party witness in an arbitration; or (2) as an officially appointed Commissioner's Assistant.

Under the first option (independent third party as witness), the independent third-party would submit testimony, be subject to cross-examination and to all other applicable procedural rules under the normal hearing process. The independent third-party would take on the role of subject matter expert, thereby, further developing the record and potentially providing testimony regarding an alternative to the position advocated by the other parties. The independent third-party would be unable to communicate with the Commission on an ex parte basis.

Under the second option (independent third-party as Commissioner's Assistant), the independent third party would advise the Commission but would be unable to provide testimony or augment the record in the arbitration proceeding. It is also important to note that any Staff member working with the independent third-party would be acting as a Commissioner's Assistant and, would therefore, be unable to testify during the arbitration proceeding. Consequently, separate Staff personnel would need to be assigned for active participation in the docket (ie. advocating a position on the issue via witness testimony).¹

Finally, it is important to note that none of the aforementioned ex parte concerns are triggered <u>unless</u> and <u>until</u> a docketed proceeding is initiated before the Commission. Given the aforementioned discussion on the arbitration process, Staff requests that the Commission provide guidance on this issue.

III. History

The following chart provides a timetable of the major events related to this topic:

Staff notes that parties may stipulate to waiving these ex parte considerations pursuant to Section 10-70 of the Illinois Administrative Procedure Act. Although some of the parties contacted by Staff have expressed a willingness to stipulate to such a waiver, Staff cautions that since we cannot identify who the parties will be at arbitration, it is difficult to determine at the present time whether a waiver can be obtained.

Key Date	Historical Event			
September 23, 1999	SBC/Ameritech merger closing date.			
January 7, 2000	SBC/Ameritech files Illinois Plan of Record ("POR").			
January 21, 2000	End of CLEC POR review period. (AT&T, CoreComm, Covad, MCI WorldCom, Rhythms, and Sprint submit responses)			
February 1, 2000	SBC/Ameritech issues POR follow-up letter.			
February 4, 2000	Staff submits POR recommendation to the Commission.			
February 15, 2000	Commission rejects SBC/Ameritech's Illinois POR.			
March 1, 2000	SBC/Ameritech files Illinois Revised Plan of Record ("RPOR").			
March 8, 2000	End of CLEC RPOR review period.			
	(AT&T, CoreComm, MCI WorldCom and Rhythms submit responses)			
March 15, 2000	Staff submits RPOR recommendation to the Commission.			

The Illinois Commerce Commission approved the merger Order of SBC/Ameritech on September 23, 1999. The merger Order included Condition 29, Additional OSS (Operational Support Systems). Condition 29 states that SBC/Ameritech is responsible for deploying:

'application-to-application interfaces as defined, adopted, and periodically updated by industry standard setting bodies for OSS (e.g. Electronic Bonding Interface ("EBI")) that support pre-ordering, ordering, provisioning, maintenance and repair, and billing for resold services, individual UNEs, and combination of UNEs. Deployment of the application-to-application interfaces will be carried out in three phases.

- Phase 1: Within 3 months after the Merger Closing Date or final regulatory approval, Joint Applicants shall complete a publicly available Plan of Record which shall consist of an overall assessment of SBC's and Ameritech's existing OSS interfaces, business processes and rules, hardware and data capabilities, and security provisions, and differences, and the companies' plan for developing and deploying application-to-application interfaces and graphical user interfaces for OSS, as well as integrating their OSS processes. The Plan of Record shall be accepted, or rejected by this Commission after an expedited (two week) CLEC comment cycle.
- Phase 2: SBC/Ameritech shall work collaboratively with ICC Staff and Illinois CLECs, in a series of workshops, to obtain written

agreement on OSS interfaces, enhancements, and business requirements identified in the Plan of Record. Phase 2 shall be conducted under the auspices of the ICC and shall be completed in a total of 3 months unless the parties mutually agree to extend Phase 2, or unless the Commission grants a reasonable request for an extension by a participating party. If the CLECs and SBC/Ameritech have not reached agreement after one month of such sessions, the parties shall prepare a list of the unresolved issues in dispute and submit the remaining unresolved issues in dispute to arbitration by the Commission.'

Order at 253-254.

SBC/Ameritech issued their POR on January 7, 2000. A two week CLEC comment cycle followed, ending January 21, 2000. Comments were received from the following six CLECs: AT&T, CoreComm, Covad, MCI WorldCom, Sprint, and Rhythms. AT&T and MCI WorldCom were the only two CLECs who recommended that the Commission reject SBC/Ameritech's Illinois Plan of Record. These CLECs indicated that the POR did not address what the Commission ordered, particularly the future mode of operation ("FMO"). The other four CLECs expressed concern but did not recommend that the Commission reject the POR.

On January 28, 2000, Commission Staff met with SBC/Ameritech representatives to discuss the POR and the CLEC reply comments. As a result of the meeting on January 28, SBC/Ameritech produced a follow-up letter to their POR on February 1, 2000. The letter included the existing regional change management process.

On February 1-2, 2000, Staff met separately with AT&T and MCI WorldCom to hear their concerns since they were the two CLECs who recommended rejecting the POR.

In further discussion, SBC/Ameritech committed to deploy a minimum of LSOG 4 (EDI 10) for pre-ordering and EDI 811 version 4010 for the billing interface.

On February 4, 2000, Staff submitted a recommendation to the Commission requesting acceptance of SBC/Ameritech's IL POR.

The Commission rejected SBC/Ameritech's IL POR on February 15, 2000, by a vote of 4-0 and requested SBC/Ameritech re-file the POR. On February 17, 2000, Chairman Mathias provided written comments to Staff regarding why he deemed SBC/Ameritech's plan deficient. Specifically the Chairman stated that in his opinion the original POR was deficient in three areas: standards, xDSL and advanced services, and testing and the role of the third party tester.

SBC/Ameritech issued their RPOR on March 1, 2000. A one week CLEC comment cycle followed, ending March 8, 2000, and four CLECs provided responses.

IV. CLEC Comments

Comments on the RPOR were received from the following four CLECs: AT&T, CoreComm, MCI WorldCom and Rhythms on March 8, 2000. Sprint and Covad did not submit responses to the RPOR. In the response from MCI WorldCom they stated that the 'parties should move forward with the information made available to begin discussions to identify areas of agreement and areas of disagreement and, to the extent necessary, to get these issues before the Commission.' None of the commenting CLECs explicitly recommended that the Commission reject the RPOR. Staff believes that all topics raised by the CLECs in their response documents (or any new topics) should be addressed during the collaborative sessions.

SBC/Ameritech drafted a response to the CLEC comment documents (except Rhythms which were received on March 9, 2000) on March 13, 2000. SBC/Ameritech's response has been included as an attachment C-1 to this document.

Each CLEC raised questions regarding the specific implementation of said <u>standards</u> in SBC/Ameritech's POR. In the RPOR, SBC/Ameritech provides the version(s) of the industry standards they plan to implement, and they provide target dates for implementing those standards. It is apparent that CLECs and SBC/Ameritech alike are concerned about what it means to implement standards. While it would be optimal if this subject was clear, none of the parties want to see functionality removed when new standards are implemented. Therefore, SBC/Ameritech repeatedly uses the verbiage that they will be "consistent" with the standards and not necessarily "compliant." The implementation plans SBC/Ameritech has proposed in order to adopt specific industry standards will have to be discussed in detail during the collaborative sessions. Staff believes this is the only way that all voices can be heard and fears lifted that current functionality will not be removed while desired industry standards are implemented.

The CLECs seek assurance that the <u>scope of the OSS collaborative sessions</u> will not be limited by the boundaries of the four corners of SBC/Ameritech's RPOR. Staff agrees with the CLECs that the scope of the collaboratives will not be limited by the RPOR. Staff also intends for the plans detailed in the RPOR to be the subject of discussion throughout the collaborative sessions. This includes the implementation dates and time schedules that are detailed in SBC/Ameritech's RPOR.

There also was a general consensus by the CLECs that the <u>independent third party</u> <u>tester</u> be hired and made available before the collaborative sessions begin. Staff concurs with the CLECs that the independent third party tester should be on board before the collaborative sessions commence. Staff would also like to clarify that it is our intent to involve the CLEC community in the third party testing process.

A subset of other comments raised by CLECs in their response documents to SBC/Ameritech's RPOR follows below.

CoreComm

- 1. CoreComm raised three issues related to the <u>13-state change management process</u> (CMP) currently being developed: # of major production releases supported, application test environments and dispute voting guidelines.
 - Staff is aware that these issues are still being debated in the 13-state CMP process. To the extent these issues are not resolved in that forum, they should be discussed in the OSS collaborative sessions. Staff does not think they are areas where SBC/Ameritech's RPOR is deficient but they are discussion items for the OSS collaborative sessions. This is especially true of the number of releases Ameritech intends to support and the ability for small and large CLECs alike to test new functionality is released to SBC/Ameritech's production environment.
- Core Comm wants to be able to provision loop orders for assumed accounts at commercial volumes. They believe <u>Hot Cuts</u> are not sufficiently addressed in the RPOR.
 - SBC/Ameritech has communicated that they have no current plans to modify the hot cut process in terms of their FMO. Staff believes that if current "hot cut" processing negatively impacts the commercial success of a potential competitor to SBC/Ameritech, then "hot cuts" is a high priority to be investigated and discussed during the collaborative sessions. The RPOR is only SBC/Ameritech's initial plan of the changes they intend to make to their OSS systems. All items are open to discussion during the collaborative sessions.
- 3. Core Comm included comments regarding the <u>pre-ordering specifications</u> included in SBC/Ameritech's RPOR and for the ordering of <u>directory listings</u>. They deal specifically with the technical specifications presented and the functionality included.
- Staff believes these are items to be discussed in the collaborative sessions. SBC/Ameritech has detailed their preliminary plans and now it is time for questions to be raised and addressed in an open forum.

MCI WorldCom

- 1. In their response MCI WorldCom states 'although Ameritech has been asked on numerous occasions whether it intends to make integrated pre-order and ordering functionality available in the form of <u>parsed Customer Service Requests</u> ("CSRs"), Ameritech has not addressed this critical issue in its revised POR.
 - On page 32 of SBC/Ameritech's RPOR they state, 'The CSI will be parsed in the same manner that it is currently being parsed within SWBT'. Also, on page 10 of the RPOR SBC/Ameritech indicates 'an 864 transaction is used to return customer service information (CSI) to the CLEC'. These are parsed transaction records. These plans, however, only apply to pre-ordering functionality. The specifics of ordering functionality related to parsed CSRs has not been detailed. The ordering changes as written in SBC/Ameritech's implementation schedule are not planned until December 2000.
- 2. MCI WorldCom also is concerned that the 'proposed timelines that would leave

commercially viable roll-out of competition too far off into the future.'

Staff is concerned that MCI WorldCom believes the proposed timelines in SBC/Ameritech's RPOR will leave commercially viable roll-out of competition too far off into the future. Staff will have to work within the guidelines of the Merger Order to ensure that competition is fostered and moves forward on a timely basis. The timelines stated in SBC/Ameritech's RPOR will be a subject of discussion during the collaborative process.

AT&T

- 1. AT&T believes it is essential that explicit and well defined processes for <u>hot cuts</u> of UNE loops are implemented with the OSS systems. They state that the plans are not discussed in the RPOR. AT&T is also interested in understanding SBC/Ameritech's plans for <u>parsing of CSRs</u>.
 - These two issues are also a concern of CoreComm and AT&T. See Staff's responses above.
- 2. AT&T would like to see more information related to when and where <u>flow-through</u> occurs or does not occur within SBC/Ameritech's systems.
 - Staff believes that flow-through plays a key role in ensuring the commercial viability of competitors entering and remaining in the local marketplace. For this reason Staff is also very interested in understanding more about how orders flow-through SBC/Ameritech's systems especially when transactions are initiated from outside their internal systems. Staff sees flow-through as being an important component of the OSS collaboratives.
- 3. AT&T's issues related to standards are addressed in the common portion of Staff's statements regarding CLECs comments (above).

Rhythms

- 1. Rhythms, like MCI WorldCom, is concerned about the <u>timing of the implementation</u> of key applications in SBC/Ameritech's RPOR. Especially those that are already in place in other SBC states (i.e. Verigate, LEX and CORBA interfaces).
 - Again, Staff is also concerned if the implementation dates of key applications will delay the rollout of competitive services in Illinois. This will be an item of high importance during the collaborative sessions.
- 2. 'Rhythms also takes issue with the lack of detail on Ameritech's plans for complying with the FCC's UNE Remand Order.' This is specifically related to equal access to SBC/Ameritech's <u>loop qualification</u> information.
 - SBC/Ameritech in their RPOR includes specifications for revisions to their preordering loop qualification inquiry and response transactions for their EDI application to application interface to be implemented on April 3, 2000. This is a step forward,

but Staff needs to ensure that the functionality is carried over into the ordering and provisioning interfaces as well. Right now SBC/Ameritech has targeted the ordering changes related to loops to be implemented in December 2000. They state the specifications will be provided as part of the advanced services notification. SBC/Ameritech must openly communicate all plans during the OSS collaborative process as they are revealed in other concurrent initiatives happening at the federal or regional level.

3. Another area of concern of Rhythms is lack of adequate detail on Ameritech's plans for modifying its OSS interfaces to allow *ordering of line sharing*.

From Rhythms comments it appears that SBC/Ameritech's plans for ordering changes related to line sharing are insufficient. Since the line sharing trial is currently underway in Illinois and other SBC states, it is already the subject of discussion in other arenas. That fact, however, does not preclude the topic from also being addressed during the OSS collaborative sessions.

V. Summary

Staff recommends that SBC/Ameritech's RPOR issued on March 1, 2000, be accepted by the Commission. Staff believes the RPOR contains more information than the original POR but remains only a starting point from which the collaborative discussions can begin. A rejection of the RPOR would not benefit the OSS merger review process or ultimately telephone consumers in Illinois. The CLEC comments per the RPOR are valid and will be discussed in detail during the collaborative sessions.

If the Commission accepts Staff's recommendation, Staff respectfully requests that the Commission order Phase 2 to commence two weeks after a contract with the independent third party has been fully executed and delivered in satisfaction of all state procurement requirements. This will enable the independent third party tester to participate in the entire collaborative process.

Staff also requests that the Commission order, for clarity, that Phase 2 is not constrained to OSS systems and issues identified in SBC/Ameritech's RPOR. This will eliminate any potential confusion about the proper scope of Phase 2.

Finally, Staff requests that the Commission provide guidance to Staff with respect to the role of the independent third party in the arbitration process which may be required in Phase 2.

VI. Attachments

All attachments have been posted to the ICC web site on the Telecommunications Condition 29 web page (http://www.icc.state.il.us/icc/tc/cond29.asp). The documents are located on the web page under the heading "Revised Plan of Record" unless noted otherwise and the actual document titles are as referenced below (italicized and in parenthesis beneath the named attachment).

Commission Documents

- A1 Chairman Mathias' letter to Staff dated February 17, 2000. (Plan of Record Comments: Chairman Mathias Letter)
- A2 Chairman Mathias' attachment to document A-1
 (Plan of Record Comments: Chairman Mathias Attachment A)

CLEC Documents

- B1 AT&T reply to SBC/Ameritech Illinois Revised POR (AT&T Revised Plan of Record).
- B2 AT&T reply to SBC/Ameritech Illinois Revised POR Attachment A (Attachment A).
- B3 AT&T reply to SBC/Ameritech Illinois Revised POR Attachment B (Attachment B).
- B4 AT&T reply to SBC/Ameritech Illinois Revised POR Attachment C (Attachment C).
- B5 CoreComm reply to SBC/Ameritech Illinois Revised POR. (*CoreComm Revised Plan of Record*).
- B6 MCI WorldCom reply to SBC/Ameritech Illinois Revised POR. (MCI Revised Plan of Record).
- B7 MCI WorldCom reply to SBC/Ameritech Illinois Revised POR Attachment A (Attachment A).
- B8 MCI WorldCom reply to SBC/Ameritech Illinois Revised POR Attachment B (Attachment B).
- B9 Rhythms reply to SBC/Ameritech Illinois Revised POR. (*Rhythms* Revised Plan of Record).

SBC/Ameritech Documents

- C1 SBC/Ameritech's response to the CLEC Comment documents per RPOR Document 1 (Reply Comments 1).
- C2 SBC/Ameritech's response to the CLEC Comment documents per RPOR Document 2 (Reply Comments 2).